

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001684

SIPDIS

STATE PASS AIT/W

E.O. 12958: DECL: 02/01/2015

TAGS: [PREL](#) [PGOV](#) [CH](#) [TW](#)

SUBJECT: CHEN ADMINISTRATION WARNS KMT, BEIJING OVER
LIEN-HU MEETING

REF: A. TAIPEI 1626

[B](#). TAIPEI 1625

[C](#). TAIPEI 773

[D](#). TAIPEI 1572

[E](#). TAIPEI 1437

Classified By: AIT Acting Director David J. Keegan, Reason: 1.4 (B/D)

[1](#)1. (C) Summary: The Chen administration's April 5 "Seven Point" statement was aimed at laying down a marker for both Beijing and the KMT ahead of a proposed meeting between PRC President Hu Jintao and KMT Chairman Lien Chan, according to a readout provided to AIT on April 6. Taiwan officials said that the government did not oppose Lien's visit to Beijing, but would react strongly if Lien signed any sort of "peace agreement" with the PRC leadership. While Chen administration officials have warned in public of a "slow down" in cross-Strait economic measures, privately they have assured AIT that there has been no decision to reverse the government's plan to resume cross-Strait initiatives after May. The April 5 National Security Council (NSC) meeting convened by President Chen Shui-bian also decided that the government would encourage a visit to Beijing by People First Party (PFP) Chairman James Soong but President Chen would not authorize Soong to carry any formal messages on his behalf. Officials continue to express concern over attempts by the KMT to cite USG "acceptance" of Beijing's Anti-Secession Law and "support" for the recent KMT-CCP accord as a justification for the opposition party's unilateral overtures to Beijing. End Summary.

Seven Points, Three Goals, One Objective

[1](#)2. (C) NSC Senior Advisor for cross-Strait affairs Chen Chung-hsin provided AIT a readout on the April 5 NSC meeting chaired by President Chen Shui-bian that produced a "Seven Point Statement" on cross-Strait policy (Ref A). Chen said the NSC had three objectives for calling the meeting and issuing a public statement. First, the NSC saw the need to enhance coordination within and among the NSC, Executive Yuan (EY), Democratic Progressive Party (DPP), and DPP Legislative Yuan (LY) Caucus. Secondly, the NSC wanted to secure agreement to make clear its "bottom line" limit for government tolerance of KMT actions. Finally, the NSC determined it needed to send a message to Beijing that the government remained ready to talk, but only if Beijing ceased its "united front" tactics.

[1](#)3. (C) The NSC's Chen acknowledged that the government did not expect KMT Chairman Lien Chan to agree to an inter-party meeting or consult with the DPP administration before his visit to Beijing. The overriding objective of the April 5 exercise, Chen continued, was not to block Lien's visit but to warn both Lien and Beijing that the government would take harsh measures against both parties if the visit produced a formal KMT-CCP accord. Chen said that Taipei's "red line" would be if Lien and PRC President Hu Jintao were to sign any type of "peace agreement" that would lull the Taiwan public into believing that Beijing had renounced the use of force when it had not. "We don't oppose Hu and Lien exchanging opinions," Chen emphasized, "but we will not tolerate Lien signing agreements as if he were the leader of a sovereign country."

Creating a DPP-KMT Back-channel

[1](#)4. (C) Chen told AIT that the Chen administration also agreed on April 5 to cut all official contacts with the KMT except those required in the LY. While senior Chen administration officials would refuse to meet with KMT counterparts, Chen said that the DPP's LY Caucus would keep open a line of communications with the KMT. In this context, Chen said the DPP Caucus was tasked with informing the KMT leadership that the Chen administration would not take any legal or political retaliatory actions against the KMT as long as Lien did not sign any formal documents during his upcoming visit to Beijing. Chen said the government was encouraging the KMT (and Beijing) to use the "Lunar New Year charter flight model," in its approach to engaging Beijing. If the KMT were willing to step back and let the government take the lead on future cross-Strait economic measures, Chen continued, then

the DPP made it clear that the government will give the KMT credit for "creating a positive atmosphere" for progress.

15. (C) However, Chen asserted that the DPP Caucus also conveyed the message that if the KMT did sign a "peace accord" or blocks action on the special defense procurement budget in the current LY session, the DPP might carry out threats of legal action (Ref B). Chen stated that the current Ministry of Justice investigation of KMT Vice Chairman P.K. Chiang's recent Beijing visit was in response to a private law suit initiated by a "grass-roots DPP supporter" and was not a government initiative. When pressed, however, Chen acknowledged that the government approved of the MOJ's decision to proceed with an investigation as a "warning" to Lien over what he might face if he "goes too far" in Beijing. Chen added that the DPP had also told the KMT that it would use the December local election campaign to smear the KMT as traitors if Lien signed a formal accord with Beijing. (Comment: Opinion is divided within both camps over how large a factor cross-Strait issues will be in the year-end local election. To be safe, however, KMT candidates have been conspicuously quiet on the recent KMT-CCP contacts, with several admitting to AIT that they fear the issue may setback their electoral prospects. End Comment.)

Taiwan's Open Door Policy in Doubt

16. (C) The NSC's Chen said that no decision had been made on whether to reconsider the government's plans for cross-Strait economic liberalization measures to retaliate against Beijing for its recent "united front" activities (Septel). However, the NSC's Chen said that Beijing had repeatedly conveyed to Taipei its hope that the Chen administration would "not close the door" to future cross-Strait contacts in the wake of the Anti-Secession Law. Chen stated that if Beijing insisted on playing the "united front" card in place of dealing directly with the Chen administration, the issue of "closing the door" might be revisited after the Lien-Hu meeting.

Will Chen Play a Soong Card?

17. The NSC's Chen ruled out the possibility that the President would formally authorize PFP Chairman James Soong to travel to Beijing as an "authorized" representative of the Taipei government. Chen said Beijing was less likely to accept Soong at this stage if he were a formal DPP envoy given the President's refusal to accept "one China" or the "1992 consensus." However, Chen said the government would actively support a visit by Soong in a private capacity, if he focused on "explaining the Chen-Soong 10 points" to the PRC leadership (Ref C).

USG Being Dragged Into Political Debate

18. (C) Taiwan officials continue to urge the USG to be careful not to be drawn into the domestic political debate over the KMT's cross-Strait initiatives (Ref D). KMT spokesmen and LY members have made repeated public assertions in recent days that the USG has accepted Beijing's Anti-Secession Law and has made a strategic decision to withdraw its security commitments to Taiwan. KMT officials and opposition-affiliated media outlets have also claimed that the USG has put pressure on the Chen administration to endorse the KMT's overtures to Beijing. DPP Deputy Secretary General Yen Wan-ching told AIT on April 7 that EAP DAS Schriver's April 6 testimony should help quiet the debate over the USG position on the Anti-Secession Law, but he bemoaned that the Taiwan media did not give the testimony wide coverage (Note: the pro-unification United Daily News did not report on the hearings at all. End Note.)

Comment: Ultimatum or Empty Threat

19. (C) The April 5 meeting appears to have simply confirmed a policy course set by the President as early as March 28 (Ref E). The NSC meeting's main accomplishment appears to have been to provide a venue in which to publicize the government's strategy to derail the KMT's recent cross-Strait initiatives. Notably, the government did not consider measures to take ownership of items on the KMT-CCP "Ten Points" as a means for wresting back control of the agenda. As Septel reports, the Chen administration's plan to use a combination of carrots and sticks to force the KMT to back off its plans to engage Beijing unilaterally will face strong resistance from the KMT. If the strategy fails, and the KMT and CCP do initial an agreement later in the year, the DPP government may be forced to choose just how many of its threats over legal action and cross-Strait economic engagement it can afford to follow through on.

KEEGAN